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**SEVENTY-FOURTH
ANNUAL REPORT
1963**



HIGHLIGHTS OF THE YEAR

	1963	1962 (for comparison)
PAYMENTS TO POLICYHOLDERS	\$ 10,217,726	\$ 9,083,960
including death claims of \$2,943,959 and \$7,273,767 to living policyholders		
INSURANCE IN FORCE	\$844,629,684	\$802,600,645
including Group Life \$93,184,476 and Group Annuities \$118,396,464		
NEW INSURANCE	\$140,921,091	\$ 131,782,793
including Group Life \$26,790,697 and Group Annuities \$32,964,576		
TOTAL INCOME	\$ 25,187,702	\$ 24,121,861
including \$17,145,682 in premiums and \$7,697,888 from investments		
POLICY RESERVES	\$ 117,317,718	\$ 110,489,384
an increase of \$6,828,334 in year		
GENERAL SURPLUS	\$ 8,389,604	\$ 7,092,015
for additional protection of policyholders		
TOTAL ASSETS	\$ 144,950,577	\$ 135,438,888
a gain of \$9,511,689		
SURPLUS	\$ 11,389,604	\$ 10,092,015
including investment reserve		
AVERAGE INTEREST RATE (NET)	5.62%	5.48%

The **EXCELSIOR LIFE** *Insurance Company*

TO THE SHAREHOLDERS AND POLICYHOLDERS

During 1963 your Company shared in the general prosperity apparent in Canada and played its part in helping to make the year under review a record one for the life insurance business. This year's achievements are summarized on the first page of the Report.

New Business and Insurance in Force

Life insurance sales to individuals amounted to \$71,956,670, an increase of 5.5% over 1962; group life, group annuities, increases, etc. brought the total new sales to \$140,921,091 compared with \$138,218,159 last year.

Total insurance in force at December 31st amounted to \$844,629,684, the comparable figure at December 31st, 1962 being \$802,600,465. This total includes \$633,048,744 individual life policies, \$93,184,476 group life, and \$118,396,464 group annuities.

Health Insurance

Premiums amounted to \$917,074 from individual and group, compared with \$440,079 in 1962. The Company's total premium income as reported in the Statement includes this figure.

Income

Total income for the year was \$25,187,702, an increase of \$1,073,234. Premium income amounted to \$17,145,682, compared with \$16,714,011 last year. Net income from investments totalled \$7,697,888, producing a net interest rate of 5.62% compared with 5.48% in 1962.

Payments to Policyholders

These figures show a substantial increase over last year, mainly in higher benefits to living policyholders. Death claims were almost the same, \$2,943,959 compared with \$2,927,732, but amounts paid to living policyholders increased by \$1,117,539 to \$7,273,767. Of this total, \$919,144 arose from dividends to policyholders, an amount 14% greater than in 1962.

Assets

Assets now total \$144,950,577, an increase of \$9,511,689. The Company continues to place the funds entrusted to it by policyholders in investments in Canada where the greatest possible contribution can be made to the development of the country, commensurate with the security required to implement its guarantees to its policyholders. Bonds and debentures represent 51.64% of invested assets; common and preferred shares 4.26%; first mortgages, very largely on residential properties, 34.95%. There was an increase in first mortgage assets of \$4,608,865 during the year.

Liabilities and Surplus

To maintain the reserves required to support the amounts of insurance and annuities in force, \$6,828,334 was applied, bringing the total thus designated to \$117,317,718. Investment reserve remained at \$3,000,000 while \$1,297,588 was added to general surplus. Surplus and investment reserve together have now reached a total of \$11,389,604.

General

It is with profound regret that we record the death on August 3rd of C.C. Calvin, Q.C., who served as a member of the Board of Directors for over 24 years and as Vice-President since 1950. In his passing, the Company lost a firm friend and a valued counsellor. His place on the Board of Directors has been filled by the election of Fraser M. Fell, a member of the law firm of Fasken, Calvin, MacKenzie, Williston and Swackhamer.

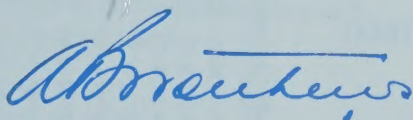
At July 1st Henry S. Beers retired as Chairman of the Aetna Life Affiliated Companies and as Chairman of the Board of The Excelsior Life. He was succeeded as a member of the Board by Olcott D. Smith, Chairman of the Aetna Life Affiliated Companies, while A. Bruce Matthews, formerly President, became Chairman of the Board, and M.K. Kenny previously Vice-President and General Manager, was elected President.

In the early autumn the Company entered into a contract with Pigott Construction Company for the erection of a new head office building on the property immediately south of our present building on Toronto Street. Construction is now proceeding. It is anticipated that the new building will be ready for occupancy about July 1st, 1965. It should provide ample space for our requirements over the next 20 years.

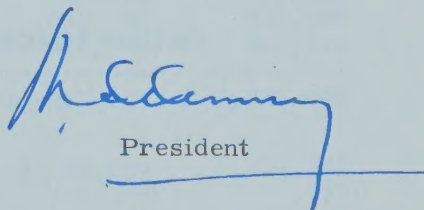
The planning and programming required to convert the Company's procedures into a Consolidated Functions Operation through the use of Electronic Data Processing has moved forward during the year - and will effect economies as well as improve service to policyowners and others when the equipment now on order is installed in our new building, when completed.

This report would not be complete without reference to the valuable contribution made by the Officers of the Company; our sales organization across Canada; and by the people who staff our head office and branch offices. The year's results are a tribute to their conscientious and devoted efforts.

On behalf of the Board



Chairman of the Board



President

Toronto, January 21, 1964.

A copy of the printed Securities Portfolio may be obtained
from the Head Office in Toronto upon request

NEW HEAD OFFICE BUILDING



TWENTY TORONTO STREET



THIRTY-THREE VICTORIA STREET

The new head office of The Excelsior Life Insurance Company now being constructed from Toronto to Victoria Streets, immediately south of the present building (which was opened in 1915).

Designed by Marani, Morris and Allan of Toronto, noted architects of many life insurance buildings built since World War II, it will be 14 storeys in height, faced with Queenston Limestone.

A tree-planted terrace sets back the building about 15 feet from Toronto Street - and a fourth floor set back on the Victoria Street side provides an elevated terrace.

FINANCIAL STATEMENT

REVENUE AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 1963

Revenue	1963#	1962*#
Premiums.	\$17,145,682	\$16,714,011
Investment income less investment expense (1963 \$262,685.15)	7,596,756	6,904,674
Contributions to staff pension plans	344,132	296,332
Profit on sales of invested assets	101,132	152,076
Transferred from Health Insurance Fund		47,375
	<u>\$25,187,702</u>	<u>\$24,114,468</u>
Expenditure		
Paid or credited to policyholders or beneficiaries		
Death claims.	\$ 2,943,959	\$ 2,927,732
Disability claims.	15,713	18,360
Health insurance claims.	587,856	248,952
Matured endowment policies.	1,538,935	1,352,024
Matured investment policies.	147,233	99,715
Annuities.	179,354	140,945
Cash surrender values.	3,380,555	3,020,057
Payment under settlement annuities.	242,222	233,835
Interest credited to amounts on deposit.	262,755	237,006
Dividends to policyholders.	919,144	805,334
	<u>\$10,217,726</u>	<u>\$ 9,083,960</u>
Increase in actuarial reserve	6,828,334	7,732,862
Provision for group refunds	(15,162)	(77)
Increase in staff pension plans	349,214	382,739
Premium taxes	256,410	240,802
Other taxes	65,318	59,527
Directors' fees	15,800	15,400
Commissions on insurance premiums and annuity considerations	1,258,169	1,185,496
Head office and branch office general operating expenses	4,241,487	3,988,101
Payments from staff pension plans.	182,245	128,087
Write down of invested assets	197,066	31,118
Transferred to General Surplus	1,578,113	1,266,453
Transferred to Health Insurance Fund	12,982	
	<u>\$25,187,702</u>	<u>\$24,114,468</u>

* Comparative figures for the year ended December 31, 1962.

Including revenue and expenditure in respect to Health Insurance.

BALANCE SHEET AS AT DECEMBER 31, 1963

ASSETS

	1963	1962*
Cash on hand and in banks	\$ 877,609	\$ 861,958
Marketable securities		
Bonds and debentures	73,482,005	69,738,482
(Market value 1963 \$71,410,510)		
Stocks		
Common and preferred shares	6,060,313	5,730,150
(Market value 1963 \$10,668,764)		
Mortgages and sales agreements		
Mortgage loans on Real Estate	49,177,260	44,941,980
Agreements on sale of Real Estate	548,415	174,831
Real Estate (Note 1)		
Buildings - Head Office and Branch	2,246,222	2,034,897
Real Estate held for production of income	1,454,955	1,096,198
Real Estate held for disposal	925,332	967,282
Policy loans	7,507,563	7,231,146
Other assets		
Investment income due and accrued	1,635,149	1,583,386
Outstanding premiums - net	999,434	990,284
Amount due from Affiliated Company	34,621	53,722
Other assets	1,699	34,572
	<u>\$144,950,577</u>	<u>\$135,438,888</u>

* Comparative figures as at December 31, 1962.

Approved on behalf of the Board of Directors
A. BRUCE MATTHEWS, Chairman of the Board
M.K. KENNY, President and Director

AUDITORS' REPORT TO THE POLICYHOLDERS

We have examined the Balance Sheet of The Excelsior Insurance Company and Expenditure, Shareholders' Surplus and General Surplus for the year ended December 31, 1963, and such tests of accounting records and other supporting evidence as in our opinion auditors have been complied with.

Cash, bank balances and securities were verified by certificate and are shown in the Balance Sheet at book values which do not exceed the true values of the securities. The other invested assets are shown at book values, which do not exceed the true values.

We have accepted a certificate from the Company's Accountants. In our opinion the above Balance Sheet and accompanying Surplus present fairly the financial position of the company as at December 31, 1963, in accordance with generally accepted accounting principles applied on a basis of consistency.

Toronto, January 20, 1964

BER 31, 1963

LIABILITIES

	<u>1963</u>	<u>1962*</u>
Policyholders		
Reserve for insurance and annuity contracts . . .	\$117,317,718	\$110,489,384
Policy dividends - due, accrued and reserved . .	2,705,434	2,707,302
Death, disability and other claims unpaid and unreported	1,511,599	1,444,274
Amounts left on deposit	5,951,271	5,409,322
Premium and other taxes	146,100	130,020
Premium and investment income received in advance . .	53,397	46,157
Dividends to shareholders declared but unpaid.	25,000	25,000
Commissions and other liabilities	396,375	274,388
Amounts received, not yet allocated	648,993	501,632
Staff pension plans	4,113,240	3,764,026
Investment reserve	3,000,000	3,000,000
Capital		
Authorized		
100,000 shares of par value of \$5.00 each		
Issued		
50,000 shares of par value of \$5.00 each	250,000	250,000
Shareholders' surplus.	271,691	248,195
Health Insurance Fund	170,155	57,173
General surplus.	8,389,604	7,092,015
	<u>\$144,950,577</u>	<u>\$135,438,888</u>

Notes

1. Including land and work in progress for new Head Office building with respect to which the major portion of contract liabilities are yet to be incurred.
1962 comparative figures have been amended to reflect the re-classification in 1963 of properties formerly described as Real Estate held for prospective expansion.
2. United States currency amounts are included in these statements at par.

HOLDERS AND SHAREHOLDERS

Insurance Company as at December 31, 1963 and the statements of Revenue and Expenditure on that date. Our examination included a general review of the accounting records and we considered necessary in the circumstances. All our requirements as to the adequacy of the reserve for insurance and annuity contracts. The statements of Revenue and Expenditure, Shareholders' Surplus and General Surplus for 1963 and the results of its operations for the year ended on that date, in our opinion, are consistent with that of the preceding year.

WINSPEAR, HIGGINS, STEVENSON AND DOANE
Chartered Accountants

INVESTMENT RESERVE, SHAREHOLDERS' SURPLUS, GENERAL SURPLUS AND OTHER FUNDS

FOR THE YEAR ENDED DECEMBER 31, 1963

	<u>1963</u>	<u>1962*</u>
INVESTMENT RESERVE		
Balance, January 1	\$ 3,000,000	\$ 2,800,000
Transferred from General Surplus		200,000
	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>
Balance, December 31	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>

SHAREHOLDERS' SURPLUS		
Balance, January 1	\$ 248,195	\$ 230,712
Transferred from General Surplus	230,524	166,147
	<u>\$ 478,719</u>	<u>\$ 396,859</u>
Deduct		
Provision for federal and provincial income taxes	\$ 57,028	\$ 48,664
Dividends	50,000	50,000
Transferred to Health Insurance Fund	\$ 100,000	\$ 50,000
	<u>\$ 207,028</u>	<u>\$ 148,664</u>
Balance, December 31	<u>\$ 271,691</u>	<u>\$ 248,195</u>

HEALTH INSURANCE FUND		
Balance, January 1	\$ 57,173	\$ 54,548
Transferred from Revenue and Expenditure Account	12,982	(47,375)
Transferred from shareholders' surplus	100,000	50,000
	<u>\$ 170,155</u>	<u>\$ 57,173</u>
Balance, December 31	<u>\$ 170,155</u>	<u>\$ 57,173</u>

GENERAL SURPLUS		
Balance, January 1	\$ 7,092,015	\$ 6,191,709
Transferred from Revenue and Expenditure Account	1,578,113	1,266,453
	<u>\$ 8,670,128</u>	<u>\$ 7,458,162</u>
Amounts transferred to		
Unreported death claims	\$ 50,000	
Investment reserve		\$ 200,000
Shareholders' surplus	230,524	166,147
	<u>\$ 280,524</u>	<u>\$ 366,147</u>
Balance, December 31	<u>\$ 8,389,604</u>	<u>\$ 7,092,015</u>

*Comparative figures for the year ended December 31, 1962

BOARD OF DIRECTORS

A. BRUCE MATTHEWS, C.B.E., D.S.O., E.D., C.D.
Chairman of the Board

M.K. KENNY, C.L.U.
President

HENRY S. GOODERHAM
Vice-President, Canada Permanent Mortgage Corporation

HON. LEON MERCIER GOUIN, Q.C.
Member, The Senate of Canada

PAUL W. MATTHEWS, M.B.E.
Chairman of the Board, Matthews and Company Limited

A.E. WALFORD, C.B., C.B.E., M.M.
Chairman, Morgan Trust Company

J.D. BARRINGTON
President, McIntyre Porcupine Mines, Limited

JOHN A. HILL, C.L.U.
President, Aetna Life Insurance Company

CRAMPTON TRAINER
Senior Vice-President and Treasurer, Aetna Life Insurance Company

OLCOTT D. SMITH
Chairman, Aetna Life Insurance Company

FRASER M. FELL
Partner, Fasken, Calvin, MacKenzie, Williston and Swackhamer

OFFICERS

A. BRUCE MATTHEWS, C.B.E., D.S.O., E.D., C.D., Chairman of the Board

M.K. KENNY, C.L.U., President

MORGAN S. CROCKFORD, F.C.I.S., Vice-President and Secretary

G.R. FRASER, F.S.A., Vice-President and Actuary

H.R. FISHER, F.L.M.I., Vice-President and Comptroller

ALAN D. CARNEGIE, Treasurer

J. RAYMOND CREPEAU, C.L.U., Associate Director of Agencies

D.F. DUNCAN, F.S.A., Actuary

JOHN C. GAINES, C.P.A., Associate Treasurer

MILTON H. HENDERSON, M.D., Associate Medical Director

JAMES A. KERR, F.L.M.I., Associate Secretary

DONALD T. LOUCKS, C.L.U., Director of Agencies

G.H. MACKAY, Branch Offices Executive

JAMES D. RIDDLE, Underwriting Executive

JOHN A. SMITH, F.S.A., Associate Actuary

BRUCE W. VALE, M.D., Medical Director

JAMES W. WESTAWAY, C.L.U., Group Executive

DEPARTMENT MANAGERS

A.E. AIRD, Manager, Estate Planning Department
WILLIAM R. ALDERDICE, Building Superintendent
ROBERT S. ANGLIN, A.S.A., Manager, Securities Department
HENRY BRIGHT, A.S.A., Manager, Group Annuities Department
J.R. CRANSTON, C.P.A., Manager, Planning Department
ALAN S. CRAWFORD, Manager, Advertising Department
BENSON E. CRONSBERRY, F.L.M.I., Manager, Underwriting Department
GEORGE A. DAVIS, C.L.U., Superintendent of Agencies
PAUL M. DEIGHTON, F.L.M.I., Co-ordinator, Electronics Planning
PYAR DOSSAL, F.I.A., A.S.A., Assistant Actuary
JAMES E. GAWLEY, C.L.U., Superintendent of Field Training
WILLIAM J. GUEST, Manager, Purchasing, Printing & Supply Department
D.V.S. HARRIS, Superintendent, Health Insurance Sales
FRED C. HOWARD, F.L.M.I., C.P.A., Manager, Accounting Department
CHARLES L. JONES, F.L.M.I., Manager, Tabulating Department
WALTER C. JONES, F.L.M.I., Manager, Personnel Department
WILLIAM KASPROW, Legal Assistant
JEAN-M. LEBLANC, Manager, Translation Department
JOHN W. MacDOUGALL, Manager, Group Administration
J. McCREADIE, A.A.C.I., Manager, Mortgage Department
E.A. O'HARA, Executive Assistant, Group Division
HUGH G. PURVIS, Group Annuities Field Assistant
R.A. SHARPE, Inspector of Branch Offices
R.T. TIPPING, A.S.A., Manager, Group Statistical Department

BRANCH MANAGERS

HALIFAX 435 Barrington St., Halifax, N.S.	D.G. BAGG, CLU, Branch Manager
CAPE BRETON 54 Prince St., Sydney, N.S.	
N.B.-P.E.I. 40 Charlotte St., Saint John, N.B.	D.S.K. SKINNER, CLU, Branch Manager
QUEBEC 580 Grande-Allee Est, Quebec	FERNAND L. DOYON, Branch Manager
SHERBROOKE 75 Wellington St. N., Sherbrooke	ROGER LAROSE, CLU, Branch Manager
G.W. BORIGHT AND ASSOCIATES AGENCY 1425 Mountain St., Montreal	G.W. BORIGHT, CLU, Manager
MONTREAL MERCIER 50 Place Cremazie, Montreal	DENIS MERCIER, Manager, Brokerage Agency
MONTREAL PLACE CREMAZIE 50 Place Cremazie, Montreal	JOHN P. DuBOIS, Branch Manager
MONTREAL ROCKLAND 2261 Rockland Rd., Town of Mount Royal	L. PHIL DALBEC, CLU, Branch Manager

OTTAWA

270 Laurier Ave. W., Ottawa

ST. LAWRENCE

Kingston Shopping Centre, Kingston

CENTRAL ONTARIO

Oshawa Shopping Centre, Oshawa

IAN ARMOUR AND ASSOCIATES AGENCY

80 Richmond St. W., Toronto

BLOORDALE

Bloordale Service Centre, Toronto

TORONTO

36 Toronto St., Toronto

TORONTO EGLINTON

600 Eglinton Ave. E., Toronto

TORONTO MORRIS

36 Toronto St., Toronto

BARRIE

89 Dunlop St. E., Barrie

KITCHENER-WATERLOO

68 King St. E., Kitchener

HAMILTON

36 James St. S., Hamilton

BRANTFORD

76 Dalhousie St., Brantford

LONDON

220 Dundas St., London

WINDSOR

176 University Ave. W., Windsor

NORTHERN ONTARIO

67 Elm St. E., Sudbury

LAKEHEAD

20 St. Paul St., Port Arthur

WINNIPEG

360 Broadway Ave., Winnipeg, Man.

WINNIPEG BROWN

356 Main St., Winnipeg, Man.

SOUTHERN SASKATCHEWAN

1874 Scarth St., Regina, Sask.

NORTHERN SASKATCHEWAN

230-22nd St. E., Saskatoon, Sask.

SOUTHERN ALBERTA

622 First St. W., Calgary, Alta.

NORTHERN ALBERTA

10127-102nd St., Edmonton, Alta.

VANCOUVER

675 W. Hastings St., Vancouver, B.C.

CENTRAL B.C. AND YUKON

287 Bernard Ave., Kelowna, B.C.

VICTORIA

1405 Douglas St., Victoria, B.C.

VANCOUVER ISLAND

225 Commercial St., Nanaimo, B.C.

F.W.I. TAYLOR, Branch Manager

WM. E. WESTLAKE, Branch Manager

J.A. NICHOLSON, Branch Manager

IAN ARMOUR, CLU, Manager

E.P. KILLINGSWORTH, CLU, Branch Manager

W.W. NIXON, CLU, Branch Manager

E.B. LUNNEY, CLU, Branch Manager

C. MORRIS, CLU, Branch Manager

C.W. GREEN, CLU, Branch Manager

DANIEL BURJOSKI, Branch Manager

NORMAN R. MOSS, CLU, Branch Manager

RUSSELL A. CANNING, CLU, Branch Manager

E.C. DORSEY, CLU, Branch Manager

ROY R. AYTOUN, Branch Manager

FRANK B. TAYLOR, Branch Manager

WILLIAM B. PATERSON, CLU, Branch Manager

J.M. KNELMAN, CLU, Branch Manager

JOSEPH J. McGEADY, Branch Manager

J.G.O. MOEN, CLU, Branch Manager

ROBERT S. WOODMAN, CLU, Branch Manager

GORDON E. FOSTER, Branch Manager

C.L. BARKER, CLU, Branch Manager

T.A. REA, Branch Manager

OWEN KARN, CLU, Branch Manager

RALPH J. FILMER, Branch Manager

GROUP MANAGERS

QUEBEC

580 Grande-Allee Est, Quebec

MONTREAL

1425 Mountain St., Montreal

TORONTO

80 Richmond St. W., Toronto

WINNIPEG

360 Broadway Ave., Winnipeg

CALGARY

622 First St. W., Calgary

VANCOUVER

675 W. Hastings St., Vancouver

PHILIPPE A. BEAUDETTE, Manager

WILLIAM B. MERRICK, Manager

THOMAS E. JARVIS, CLU, Manager

GERALD W. MARTIN, Manager

DAVID S. KENT, CLU, Manager

PETER D. GIBBS, CLU, Manager



YOUNG WIDOWS ARE SELDOM MERRY

Three young widows, each with small children, live on one relatively short street. They have another thing in common, unfortunately: they have all gone back to work to try and earn enough to keep their homes—and feed and clothe their school age youngsters.

Their lives are a far cry from that of opera's "Merry Widow".

Yet just 2 years ago the future looked bright for all three. Then a car accident killed one father, a heart attack the second, hidden cancer the third. All three men were in their early thirties!

One certain way to be sure your family can remain together as a unit with a "full-time" mother is through your purchase NOW of sufficient *permanent personal* life insurance. May we suggest you talk over your life and health insurance needs with a trained representative of The Excelsior Life Insurance Company, *the Company helping Canadians help themselves to peace of mind.*

*One of a series of advertisements
in The Excelsior Life's
current advertising campaign
to inform the Canadian public*

